

Value-Added Producer Grant Program

Supporting Next Step Innovation

Why do Value-Added?

- Explore options to create or expand markets for your agricultural products
- Extend your marketing season by innovating value-added products
- Compete in niche or specialty markets with traditionally higher profit margins
- Expand your customer base
- Increase financial returns to agricultural producers
- Solve processing, aggregation, marketing, and distribution challenges
- Conduct feasibility and business operations planning for new ventures
- Implement viable value-added projects across agricultural sectors

What is Value-Added?

- Using one of five methodologies to produce a value-added product that results in an expansion of customer base for the agricultural commodity and a greater portion of the revenue derived from the processing and marketing of the value-added product returning to the agricultural producers of the commodity.
- Applicants must be agricultural producers or qualifying harvesters.
- Grant funds support either economic planning activities or working capital operations directly related to the processing and marketing of the value-added product.

Value-Added Methods and Products

Method	Example of Value-Added Products
Change in Physical State: An irreversible processing activity that transforms the raw agricultural commodity into a marketable value-added product, and is something other than a post-harvest process that primarily acts to preserve the commodity for later sale.	<ul style="list-style-type: none"> • fish fillets • diced tomatoes • flour • wool rugs • furniture • packaged meat • pork pies • cheese • jam • furniture • lumber • ethanol off-farm
Product Physical Segregation: Separating an agricultural commodity on the same farm from other varieties of that same commodity on the same farm during production and harvesting, with continued separation from similar commodities during processing and marketing, in a manner that demonstrates increased value.	<ul style="list-style-type: none"> • separating genetically modified corn from non-genetically modified corn • separating gluten-free products from products that contain gluten
Non-Standard Agriculture Production: Using a recognizably coherent set of agricultural production practices, such that a differentiated market identity is created for the resulting product.	<ul style="list-style-type: none"> • eggs produced from free-range chickens • organically grown carrots • grass-fed beef
Local Foods Marketing and Distribution: An agricultural food product distributed in the State in which the product is grown, or within 400 miles from the origin of the product. A raw, cooked, or processed edible substance, beverage or ingredient intended for human consumption. Products cannot be animal feed, live animals, non-harvested plants, fiber, medicinal products, cosmetics, tobacco products, or narcotics.	<ul style="list-style-type: none"> • local grapes with characteristics attributable to the growing area that increases their value • local corn sold at a premium as a fresher alternative to non-local corn
Farm- or Ranch-based Renewable Energy: An agricultural commodity used to generate renewable energy ON a farm or ranch owned or leased by the Independent Producer that produces the agricultural commodity.	<ul style="list-style-type: none"> • manure transformed into methane or electricity generation on-farm • corn into biodiesel generation on-farm

Resources: Applications must meet ALL program requirements

- VAPG website: http://www.rurdev.usda.gov/BCP_VAPG.html
- Rural Development State Offices: 1-800-670-6553, then press "1" or <http://www.rurdev.usda.gov/StateOfficeAddresses.html>
- Agricultural Marketing Resource Center website: <http://www.agmrc.org>